

**1ST  
QUARTER  
FINANCIAL STATEMENTS  
30TH SEPTEMBER 2019**



**HAFIZ LIMITED**

## COMPANY INFORMATION

<b>Board of Directors</b>	:	<i>Quamruddin Usmani</i>	<i>Chairman</i>
	:	<i>Fakhruddin Usmani</i>	<i>Chief Executive</i>
	:	<i>Muhammad Farooq Usmani</i>	<i>Director</i>
	:	<i>Mahmood Wali Muhammad</i>	<i>Director</i>
	:	<i>Muhammad Atiq</i>	<i>Director</i>
	:	<i>Ali Muhammad Usmani</i>	<i>Director</i>
	:	<i>Muhammad Shahzad Fakir</i>	<i>Director</i>
<b>Board of Audit Committee</b>			
<b>Chairman</b>	:	<i>Quamruddin Usmani</i>	
<b>Members</b>	:	<i>Muhammad Farooq Usmani</i>	
		<i>Mahmood Wali Muhammad</i>	
<b>Board of Human Resource Committee</b>			
<b>Chairman</b>	:	<i>Ali Muhammad Usmani</i>	
<b>Members</b>	:	<i>Fakhruddin Usmani</i>	
		<i>Quamruddin Usmani</i>	
<b>Chief Financial Officer</b>	:	<i>Muhammad Shahid Siddiqui</i>	
<b>Company Secretary</b>	:	<i>S. Shafiq Hasan</i>	
<b>Bankers</b>	:	<i>Habib Metropolitan Bank Ltd.</i>	
	:	<i>HBL Bank Limited</i>	
	:	<i>MIB-MCB Islamic Bank Limited</i>	
	:	<i>National Bank of Pakistan</i>	
<b>Auditors</b>	:	<i>MAZARS M.F. &amp; Co.</i>	
		<i>Chartered Accountants,</i>	
		<i>Karachi.</i>	
<b>Shares Registrar</b>	:	<i>F.D. Registrar Service (Pvt) Ltd.</i>	
		<i>170-5, 17th Floor, Saima Trade Tower-A</i>	
		<i>I. I. Chundrigar Road, Karachi-74000</i>	
<b>Registered Office</b>	:	<i>97, Alliance Building, 2<sup>nd</sup> Floor,</i>	
		<i>Moolji Street, Mereweather Tower,</i>	
		<i>Karachi-74000.</i>	
<b>Mill at</b>	:	<i>D-9, S.I.T.E., Karachi.</i>	
<b>Webside</b>	:	<i>www.hafiztm.com</i>	

## DIRECTOR'S REVIEW

The Directors of your company are pleased to present their 1st Quarter Accounts for the period ended September 30, 2019.


The monetary policy in Pakistan aims at stabilizing the domestic and external value of the currency and to foster economic growth. Therefore, the exchange rate pass-through to domestic wholesale and consumer prices is an important link in the process of monetary policy transmission. Since Pakistan economy has a considerable degree of openness to foreign trade, the domestic price level cannot remain immune to external price shocks i.e. exchange rate depreciation/appreciation and changes in import prices. Any appreciation or depreciation of the exchange rate will not only result in significant changes in the prices of imported finished goods but also imported inputs that affect the cost of the finished goods and services.

The potentially higher costs of imported raw material and capital goods associated with an exchange rate depreciation increase marginal costs and lead to higher prices of domestically produced goods. In case of indirect effect, the exchange rate depreciation affects the net exports which in turn influence the domestic prices through the change in aggregate demand, putting upward pressure on domestic prices.

Various kinds of incentives which are available to our competitors are not available to our local industry and exporters but your directors are doing their best to overcome the problems of the company and Inshallah the company directors shall maintain the progress of the company in the coming period.

The directors wish to place on record their deep appreciations for continuous supports by bankers, friends, well wishers and also thank the members of staff of the company for their hard work and devotion of duty.

FOR AND ON BEHALF OF THE BOARD



Quamruddin Osmani  
Chairman



Fakhruddin Usmani  
CEO

Karachi:  
30th October, 2019.

## ڈائریکٹران کا جائزہ

آپ کی کمپنی کے ڈائریکٹران پہلی سہ ماہی مدت مختتمہ 30 ستمبر 2019 کے حسابات پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔


پاکستان کی مالیاتی پالیسی کا عزم کرنسی کی مقامی اور بیرونی قدر کو استحکام دینا اور معاشی نمو میں ترقی لانا ہے، لہذا زرمبادلہ کے نرخ کے اثرات مقامی تھوک فروشی اور صارفین کی قیمتوں تک پہنچ گئے جو کہ مالیاتی پالیسی کے عمل میں اہم رابطہ کا کام کرتا ہے۔ چونکہ پاکستان کی معیشت بیرونی تجارت کے لئے کافی حد تک کھلی ہوئی ہے، لہذا مقامی قیمتوں کی سطح پر بیرونی قیمتوں کے جھٹکوں یعنی زرمبادلہ کے نرخ میں کمی/بیشی اور درآمدی قیمتوں میں تبدیلی سے متاثر ہونے سے نہیں روک ہو سکتی۔ زرمبادلہ کی قدر میں کسی قسم کے اضافہ یا کمی سے نہ صرف درآمدی مال کی قیمتوں میں قابل ذکر تبدیلیاں ہوتی ہیں بلکہ برآمدی اشیاء کی وجہ سے تیار مال اور خدمات کی لاگت بھی اثر انداز ہوتی ہے۔

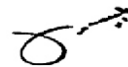
درآمدی خام مال اور سرمایہ جاتی مصنوعات کی امکانی بلند لاگتوں کے ساتھ زرمبادلہ کے نرخ میں فرسودگی کی وجہ سے لاگتوں میں اضافہ ہوا اور مقامی طور پر تیار کردہ مال کی قیمتیں بلند ہو گئیں۔ بلاواسطہ اثرات کی صورت میں زرمبادلہ کے نرخ میں فرسودگی کی وجہ برآمدات پر اثرات مرتب ہوتے ہیں جس کے نتیجے میں مقامی قیمتوں میں بڑھتی ہوئی مجموعی طلب کی وجہ سے مقامی قیمتوں پر دباؤ آ گیا۔

کئی قسم کی مراعات جو ہمارے مسابقت کاروں کے لئے دستیاب ہیں وہ مقامی صنعت اور برآمد کنندگان کے لئے دستیاب نہیں ہیں لیکن آپ کے ڈائریکٹران کمپنی کے مسائل پر قابو پانے کے لئے اپنی بہترین کوششوں کو بروئے کار لارہے ہیں اور انشاء اللہ کمپنی کے ڈائریکٹران آنے والی مدت میں کمپنی کی کارکردگی کو برقرار رکھیں گے۔

اس موقع پر ڈائریکٹران بینکاروں، دوستوں، نیک خواہشات رکھنے والوں کے مسلسل تعاون پر ان کے لئے گہری ستائش ریکارڈ پر لانا چاہتے ہیں اور اپنے فرائض کی انجام دہی کے دوران کمپنی کے اسٹاف ممبران کی انتھک محنت اور جدوجہد پر ان کے مشکور ہیں۔

منجانب اور برائے بورڈ

  
فخر الدین عثمانی  
چیف ایگزیکٹو آفیسر

  
فخر الدین عثمانی  
چیئر مین

کراچی: 30 اکتوبر 2019

**HAFIZ LIMITED**

**BALANCE SHEET (UN-AUDITED)  
AS AT SEPTEMBER 30, 2019**

<b>ASSETS</b>	<b>30-Sep-19</b>	<b>30-Jun-19</b>
	----- <i>(Rupees)</i> -----	
<b>Non-current assets</b>		
Property, plant and equipment	4,191,655	4,108,875
Investment property	472,510,664	472,510,664
Long term investments- quoted	2,380,201	1,780,201
	479,082,520	478,399,740
<b>Current assets</b>		
Stores and spares	-	-
Trade debts	1,826,400	522,400
Loans and advances	460,226	420,498
Deposits and income tax	3,630,815	4,987,993
Cash and bank balances	3,739,444	4,658,985
	9,656,885	10,589,876
Net assets in Bangladesh	1	1
<b>Total assets</b>	488,739,406	488,989,617

<b>EQUITIES AND LIABILITIES</b>	<b>30-Sep-19</b>	<b>30-Jun-19</b>
	----- <i>(Rupees)</i> -----	
<b>Capital and Reserves</b>		
Authorized		
2,000,000 (2019: 2,000,000) ordinary shares of Rs.10/- each	20,000,000	20,000,000
<b>Issued, subscribed and paid-up</b>		
1,200,000 (2019: 1,200,000) ordinary shares of Rs.10/- each	12,000,000	12,000,000
Reserves	463,845,562	465,116,405
	475,845,562	477,116,405
<b>Non Current Liabilities</b>		
Deferred liabilities	326,303	323,325
	326,303	323,325
<b>Current Liabilities</b>		
Trade and other payable	7,003,136	6,311,672
Unclaimed dividend	5,061,824	3,264,871
Provision for taxation	502,581	1,973,344
	12,567,541	11,549,887
Contingencies and commitments	-	-
<b>Total equity and liabilities</b>	488,739,406	488,989,617

Karachi  
30th Oct., 2019.

  
**Muhammad Shahid Siddiqui**  
CFO

  
**Fakhruddin Usmani**  
CEO

  
**Quamruddin Osmani**  
Director


HAFIZ LIMITED

**PROFIT AND LOSS ACCOUNT  
(UN-AUDITED)**

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019**

PARTICULARS	For the Three	For the Three
	Months ended 30th	Months ended 30th
	September, 2019.	September, 2018.
	----- <i>(Rupees)</i> -----	
Rental income	3,225,035	2,933,003
Administrative expenditure	(2,190,170)	(2,036,778)
Financial charges	(3,127)	(1,332)
	(2,193,297)	(2,038,110)
Profit before taxation	1,031,738	894,893
Taxation	(502,581)	(517,964)
Profit after taxation	529,157	376,929
Earnings per share - Basic and diluted	0.44	0.31

Karachi  
30th Oct., 2019.

  
Muhammad Shahid Siddiqui  
CFO

  
Fakhruddin Usmani  
CEO

  
Quamruddin Osmani  
Director

**HAFIZ LIMITED**

**CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019**

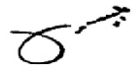
	<b>30-Sep-19</b>	<b>30-Sep-18</b>
	-----( <i>Rupees</i> )-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,031,738	894,893
Depreciation	125,647	164,229
Provision for gratuity	2,978	7,432
Financial charges	3,127	1,332
	<u>131,752</u>	<u>172,993</u>
Operating profit before working capital changes	1,163,490	1,067,886
<b>Movement in Working Capital</b>		
<b>(Increase)/decrease in Current Assets</b>		
Trade debts	(1,304,000)	783,600
Loans and Advances	(39,728)	(77,183)
	<u>(1,343,728)</u>	<u>706,417</u>
<b>Increase / (decrease) in Current Liabilities</b>		
Trade and other payable	691,464	295,926
	<u>691,464</u>	<u>295,926</u>
Cash generated from operations	511,226	2,070,229
<b>Payments for:</b>		
Taxes	(616,166)	(622,176)
Financial charges	(3,127)	(1,332)
Net cash inflow from operating activities	<u>(108,067)</u>	<u>1,446,721</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(208,427)	-
Investment in Shares	(600,000)	-
Net cash (outflow) from investing activities	<u>(808,427)</u>	<u>-</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(3,047)	-
Net cash (outflow) from financing activities	<u>(3,047)</u>	<u>-</u>
<b>Net increase in cash and bank balances</b>	(919,541)	1,446,721
<b>Cash and bank balances at beginning of the year</b>	4,658,985	5,023,403
<b>Cash and bank balances at end of the year</b>	<u>3,739,444</u>	<u>6,470,124</u>



**Muhammad Shahid Siddiqui**  
CFO



**Fakhruddin Usmani**  
CEO



**Quamruddin Osmani**  
Director

Karachi  
30th Oct., 2019.

**HAFIZ LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
(UN-AUDITED)**

**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019**

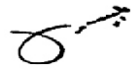
	Reserves				Total equity	
	Share Capital	Un-appropriated (loss)	Interest Free Loan from Directors	Revaluation reserve for investment property		Total Reserves
Balance as at July 01, 2018.	12,000,000	14,864,204	56,634,905	371,752,394	443,251,503	455,251,503
Net profit after tax for THREE months ended (July, 2018 to September, 2018		376,929			376,929	376,929
Final dividend for the year ended June 30, 2018 @ Rs.1.75 per share i.e. 17.5%.	-	(2,100,000)	-		(2,100,000)	(2,100,000)
<b>Balance as at September 30, 2018.</b>	<b>12,000,000</b>	<b>13,141,133</b>	<b>56,634,905</b>	<b>371,752,394</b>	<b>441,528,432</b>	<b>453,528,432</b>
Net profit after tax for NINE months ended (October, 2018 to September, 2019	-	23,587,973	-	-	23,587,973	23,587,973
<b>Balance as at June 30, 2019.</b>	<b>12,000,000</b>	<b>36,729,106</b>	<b>56,634,905</b>	<b>371,752,394</b>	<b>465,116,405</b>	<b>477,116,405</b>
Balance as at July 01, 2019.	12,000,000	36,729,106	56,634,905	371,752,394	477,116,405	477,116,405
Net profit after tax for THREE months ended (July, 2019 to September, 2019.		529,157			529,157	529,157
Final dividend for the year ended June 30, 2019 @ Rs.1.50 per share i.e. 15%.	-	(1,800,000)	-		(1,800,000)	(1,800,000)
<b>Balance as at September 30, 2019.</b>	<b>12,000,000</b>	<b>35,458,263</b>	<b>56,634,905</b>	<b>371,752,394</b>	<b>463,845,562</b>	<b>475,845,562</b>



**Muhammad Shahid Siddiqui**  
CFO



**Fakhruddin Usmani**  
CEO



**Quamruddin Osmani**  
Director

Karachi  
30th Oct., 2019.



## HAFIZ LIMITED

# NOTES ANNEXED TO THE FINANCIAL INFORMATION (UN-AUDITED) FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

### 1 Status and Nature of Business

- 1.1 Hafiz Limited (Formerly Hafiz Textile Mills Limited) (the Company) is a public limited Company incorporated in 1951 under the Companies Ordinance, 1984. The shares of the Company are listed on the Karachi Stock Exchange. The registered office of the Company is situated at 97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi.
- 1.2 In the year ended 30 June 2013, the company has changed the name and nature of its business. Previously the principal activity of the company was to deal in spinning of textile fibers and now the principal activity of the company is to earn rentals on land and building.

### 2 Basis of Preparation

#### 3 Significant Accounting Policies

- 3.1 The accounting policies adopted for the preparation of these Financial information are consistent with those applied in the preparation of the annual published Financial Statements of the Company for the year ended June 30, 2019.
- 3.2 The Company operates an unfunded gratuity scheme and full provision is made for liability for gratuity payable to employees.
- 3.3 Gratuity dues are arrived at by multiplying the salary of each employee with the numbers of years in service. Considering the financial condition of the company and basis adopted which is for more realistic and actual, the company has not carried out actuarial valuation as required by IAS-19.

### 4 Contingencies and Commitments

#### 4.1 Contingencies

- 4.1.1 The company has a contingent liability of 1.12 million in respect of War Risk Insurance Dues for the year 1971 imposed by Federation of Pakistan through its Secretary, Commerce. The company has filed an Appeal with High Court of Sindh and the case is still in progress. As a matter of prudence the company has provided a liability of 0.4 million.
- 4.1.2 During the year 1992, the company was served by a Notice from High Court of Sindh in respect of termination of various employees. The notice says that company should pay 0.41 million as a compensation to them. The management is hopeful that the the case will be in their favour.

#### 4.2 Commitments

There is not commitment outstanding for the period ended September 30, 2019 (June 30, 2019: Nil).

### 5 General

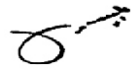
- 5.1 These Financial Statements were authorized for issue by the Board of Directors of the Company on 30th Oct., 2019.
- 5.2 Figures have been rounded off to the nearest rupee.



**Muhammad Shahid Siddiqui**  
CFO



**Fakhruddin Usmani**  
CEO



**Qamruddin Osmani**  
Director

Karachi  
30th Oct., 2019.

## SHAREHOLDERS IMPORTANT NOTICES

### 1. Submission of copies of CNIC (MANDATORY)

Pursuant to the directive of the Securities & Exchange Commission of Pakistan Circular No.EMD/D-II/Misc/2009-1342 dated April 4, 2013, CNIC numbers of shareholders are mandatorily required to be mentioned on dividend warrants. Shareholders are, therefore, requested to submit a copy of their CNIC (if not already provided) to the Company's Share Registrar, M/s.F.D. Registrar Services (Pvt.) Ltd. 1705, 17th floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000.

### 2. Notice for unclaimed shares / Dividends

Pursuant to the requirement of Section 244 of the Companies Act, 2017 (the "Act"), now all companies are required to surrender physical shares/dividends which remain unclaimed or unpaid for over three years, as on May 30, 2014, to the Federal Government.

As per Company's record, there are some outstanding / physical shares/ dividends in respect of your above mentioned folio/account.

You are hereby requested to immediately lodge your claim to our share Registrar: M/s F.D. Registrar Services (Pvt.) Ltd. 1705, 17th Floor, Saima Trade Tower 'A' I. I. Chundrigar Road, Karachi or our registered office:Hafiz Limited 97, Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi, along with relevant documents in support of your claim under a duly signed letter (in accordance with specimen signature recorded with the Company):

Please note that if the Company does not receive a claim from you within the aforesaid time period, then the Company shall proceed to deposit unclaimed physical shares / dividends in its possession, with the Federal Government pursuant to the provisions of sub section (2) of section 244 of the Act.

### 3. E-Dividend Mandate (Mandatory)

Under the provisions of Section 242 of the Companies Act, 2017 and the Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

Shareholders who have not yet submitted their International Bank Account Number (IBAN) are requested to fill in Electronic Credit Mandate Form and send it duly signed along with a copy of CNIC to the Registrar of the Company **M/s .F.D. Registrar Services (Pvt.) Ltd.** 1705, 17<sup>th</sup> Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000, in case of physical shares.

In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.

## HAFIZ LIMITED

97 Alliance Building, 2nd Floor, Moolji Street, Mereweather Tower, Karachi-74000.

### NOTICE OF MANDATORY PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE

#### Bank Account Details of Transfer for Cash Dividend

(Mandatory to provide)

i) Shareholder's Detail	
Name of Company	
Name of shareholder	
Folio No. /CDC Participants ID A/c No.	
CNIC No*	
Passport No (in case of foreign shareholder)**	
Land Line Phone Number	
Cell Number	

2) Shareholder's Bank Detail	
Title of Bank Account	
Bank Account Number (16 Digit) IBAN	
Bank's Name	
Branch Name and Address	

1. It is stated that the above-mentioned information is correct, that I will intimate the changes in the above mentioned information to the above addresses as soon as these occur.

\_\_\_\_\_  
(Signature of shareholder)

**KINDLY NOTE: COMPANY MAY WITHHOLD THE PAYMENT OF DIVIDEND OF A MEMBER WHERE THE MEMBER HAS NOT PROVIDED THE COMPLETE INFORMATION OR DOCUMENTS AS SPECIFIED.**

For any query, you may please contact us Tel # 02132440371 or email us at [htm1951@hotmail.com](mailto:htm1951@hotmail.com)

Thanking you.  
**S. Shafiq Hasan**  
(Company Secretary)

Note: This is a computer generated letter and does not require signature.

\*Please attach attested photocopy of CNIC

\*\*Please attach attested photocopy of the Passport

# **BOOK POST**

**UNDER POSTAL CERTIFICATE**

If undelivered please return to:

**HAFIZ LIMITED**

97, Alliance Building, Moolji Street, Mereweather Tower, Karachi-74000. Tel: 021-32440371